



Memorandum

TO: Mayor and City Council
SUBJECT: Mayor's June Budget Message

FROM: Councilmember Kansen Chu
DATE: June 8, 2011

APPROVED:

DATE:

6/8/11

RECOMMENDATION:

Approve the Mayor's June Budget Message with the following amendment:

Revise the Mayor's recommended re-budget amounts for Council Offices to reduce the amounts for each office by \$50,000 as opposed to the current recommendation of a capped amount of 1/3 of the Fiscal Year 2011-2012 proposed base budget.

ANALYSIS:

While the City of San José continues to face significant fiscal challenges, with a General Fund shortfall of \$115 million, I believe that it is critical to ensure a sense of fairness and equity in our approach for a balanced budget. The recommendation to cap the re-budgets for Council Offices at 1/3 of the Fiscal Year 2011-2012 proposed base budget creates disparity between the ten Council Districts in how we spend our resources. It is not fair to the Council Offices who have spent their individual budgets carefully and it is not fair to our constituents who can benefit from the carryover funding that is used to support community outreach efforts, constituent services, and various activities in the district.

We should not penalize Council Offices who were more reserved in their spending and reward offices who have spent the majority of their budgets. It is only fair to ask each council office to reduce their carryover budget by the same amount.

I recommend that we revise the Mayor's recommendation re-budget amounts for Council Offices to reduce the amounts for each office by \$50,000 instead of capping the amount at 1/3 of the Fiscal Year 2011-2012 proposed base budget. Council Offices that do not have at least \$50,000 in their office re-budget to contribute will make up the difference with their base budget for Fiscal Year 2011-2012. By reducing the re-budget amounts for every Council Office by \$50,000, the City is able to yield an additional \$119,617 in potential savings.

Recommendation from the Mayor's June Budget Message:

	Constituent Outreach Re-budget	Office Re-budget	Revised Re-budget (Capped at 1/3)	Potential Savings
Mayor's Office	n/a	\$688,469	\$442,494	\$245,975
Council General	n/a	\$1,034,965	\$284,965	\$750,000
District 1	\$0	\$23,165	\$0	\$23,165
District 2	\$2,120	\$179,757	\$80,859	\$98,898
District 3	\$10,013	\$56,232	\$56,232	\$0
District 4	\$7,571	\$149,021	\$80,859	\$68,162
District 5	\$24,705	\$110,743	\$80,859	\$29,884
District 6	\$2,776	\$180,173	\$80,859	\$99,314
District 7	\$27,811	\$90,846	\$80,859	\$9,987
District 8	\$11,412	\$18,963	\$18,963	\$0
District 9	\$25,572	\$63,249	\$63,249	\$0
District 10	\$27,522	\$131,832	\$80,859	\$50,973
Total Savings				\$1,376,358

Recommendation from Councilmember Chu:

	Constituent Outreach Re-budget	Office Re-budget	New Proposal	New Potential Savings
Mayor's Office	n/a	\$688,469	\$442,494 *	\$245,975
Council General	n/a	\$1,034,965	\$284,9654 *	\$750,000
District 1	\$0	\$23,165	(\$26,835) **	\$50,000
District 2	\$2,120	\$179,757	\$129,757	\$50,000
District 3	\$10,013	\$56,232	\$6,232	\$50,000
District 4	\$7,571	\$149,021	\$99,021	\$50,000
District 5	\$24,705	\$110,743	\$60,743	\$50,000
District 6	\$2,776	\$180,173	\$130,173	\$50,000
District 7	\$27,811	\$90,846	\$40,846	\$50,000
District 8	\$11,412	\$18,963	(\$31,037) **	\$50,000
District 9	\$25,572	\$63,249	\$13,249	\$50,000
District 10	\$27,522	\$131,832	\$81,832	\$50,000
Total Savings				\$1,495,975

* No changes to the Mayor's recommended re-budget amounts for the Mayor's Office and Council General.

**Offices who do not have at least \$50,000 in their office re-budget to contribute will make up the difference with their base budget for Fiscal Year 2011-2012.